

FORREST P. HYMAS

Chapter 12 Trustee

(208) 324-2336 • Fax (208) 324-2335

112 South Lincoln • P.O. Box 89 • Jerome, Idaho 83338

TRUSTEE'S REPORT

RE: ROBBINS, Leo Bruce and Heidi
Case # 99-41532 - Chapter 12
Attorney for Debtors: Brent T. Robinson

HEARING: MOTION TO SELL CALVES

LOCATION: U. S. FEDERAL BUILDING AND COURT HOUSE
801 East Sherman
Pocatello, Idaho

DATE & TIME: Thursday, July 31, 2003 - 9:30 AM

A. CHAPTER 12 REVIEW

- | | | |
|----|---|--------------|
| 1. | Chapter 12 filed | 9/13/99 |
| 2. | Chapter 12 Confirmed | 2/23/00 |
| 3. | Term of Plan | 36 months |
| 4. | Date of first payment | 7/28/00 |
| 5. | Date Plan was to have been completed | 7/28/03 |
| 6. | Type of business | Calf raising |
| 7. | Motion to Modify Confirmed Plan and
Order Confirming Plan
Plan extended to December 31, 2003. | 2/12/03 |
| 8. | Motion to Incur Secured Debt | 2/12/03 |
| 9. | Order Authorizing the Incurring of Secured
Debt and Modifying the Confirmed
Chapter 12 Plan and Order Confirming Plan | 3/19/03 |

78

B. TRUSTEE'S REPORT - FEBRUARY 12, 2003

1. The Trustee's Report of February 12, 2003 addressed two Motions which were before the Court:

(a) Motion to Incur Secur Debt

The calf raising operation could not see an economic benefit of staying in business. Solar Farms and/or Sunstar Dairy had been providing new born calves to the Robbins'. Solar Farms and/or Sunstar Dairy agreed funding to Robbins to keep the operation going until December 31, 2003, at which time all calves are to be sold.

(b) Motion to Modify Confirmed Chapter 12 Plan and Order Confirming Plan

All monthly payments would be stopped. All payments which were not paid monthly would be due and owing December 31, 2003.

C. PRESENT PROPOSAL

1. Sell all calves now

(a) Letter from William Parsons with proposal from buyer Bob Schrenk to buy all calves - Exhibit A

Exhibit A is a copy of a letter from William A. Parsons with a proposal to buy all calves, showing an approximate number of head, weight and prices per pound. Buyer Bob Schrenk.

- (b) The Trustee has taken Exhibit A and extended the approximate revenue to be generated from each group of calves:

	No. head	Est. wt	Trustee avg wt	Price per #	Trustee price per head	Total est. revenue
A	100	900	900	\$.64	\$576.	Actual \$55,783.04
B	100	700-800	750	.66	495.	49,500.
C	100	600-700	650	.68	442	44,200.
D	100	500-600	550	.70	385	38,500.
E	125	500	500	.72	360.	45,000.
F	125	450	450	.72	324.	40,500.
TOTAL	550					\$275,300.

Exhibit A - Estimated per 550 head:

\$250,000.00 to \$260,000.00.

Note: 101 head of 900 cwt. calves were sold in July for \$55,783.04. Debtor is holding check.

2. At the time the Modification was approved, it was reported that there were 650 head. Per Exhibit B, letter from Mr. Parsons, there is still 650 head. Per Item C. 1. (b) above, only 550 head are listed, due to sale of calves in July.

D. REVIEW OF COSTS

Review of costs to continue operation to December using the \$1.10 per head listed in Exhibit A (Parsons letter), based on 550 head:

Sale date	# head	Est. avg wt	Est cost per day	Est. number days on feed	Est. total cost	Cost per day
August	550	750	\$1.10	30	\$18,150.	\$605.
September	450	650	1.10	30	14,850.	495.
October	350	550	1.10	30	11,550.	385.
November	250	500	1.10	30	8,250.	275.
December	125	450	1.10	30	3,960.	130.
TOTAL					\$56,760.	

Now that Solar Farms has experience in the cattle operation, the Trustee believes that their cost of \$1.10 per day per head is a reliable figure to use.

E. RE-CAP OF UCC FILING WITH THE IDAHO SECRETARY OF STATE

Date	Type	Number	Creditor	Collateral
5/19/03	UCC 1F	F70324	Solar Farms	Beef cattle, calves
5/28/03	UCC 3	6411554	New Holland	Cont. B802115 - 6/28/98
8/16/02	Seed	S17396	Ivan Garner	\$2,600. alfalfa, hay
6/16/00	UCC 1	B6360477	Case Credit	Cont. B666934 - 7/3/95
11/26/01	UCC 3	B6377636	Key Bank	Cont. B747955 - 4/17/97
6/26/98	UCC 1	B802115	New Holland	NH 900 chopper
4/17/97	UCC 1	747955	Key Bank	Accounts, equipment, feed beans, hay, beef cattle, calves, dairy cattle
7/3/95	UCC 1	B666934	Case Credit	Case 2390 with duals

F. CREDITOR KEY BANK - Exhibit B

1. Key Bank sold their loan to SN Servicing Corporation.
2. The sale was secured only by a mortgage/deed of trust.
3. The security interest attached to the UCC for equipment, feed, beans, hay, beef cattle, calves and dairy cattle were not part of the security documents transferred from Key Bank to SN Servicing.

G. LIEN STATUS ON CATTLE

1. According to the Trustee's review of UCC's, Solar Farms is the only creditor with a UCC filing on beef cattle and calves.
2. The Trustee has asked Key Bank to terminate their UCC on all collateral listed in their UCC filing.

H. EFFECT OF SELLING ALL CALVES NOW

1.	Estimated Revenue from Sale		\$273,483.
2.	Less Debt Service:		
	(a) IRS (pre-petition)	\$ 6,608.	
	(b) State of Idaho	732.	
	(c) CNH tractor	762.	
	(d) D. L. Evans, suburban	7,144.	
	(e) SN Servicing	31,712.	
	(f) New Holland chopper	9,550.	
	(g) Republic Leasing	3,216.	
	(h) Textron, baler	5,385.	
	(i) Waterview, pivot	6,825.	
	(j) Unsecureds,	<u>3,300</u>	
	SUBTOTAL	\$75,234.	
	(k) Trustee fee	6,582.	
	(l) Post petition taxes	26,000.	
	(m) Solar Farms	148,291.	
	(n) Accounts payable	<u>18,000.</u>	
		\$274,107.	<u>\$274,107.</u>
	(o) Estimated short fall		\$(- 624.)

Note: The above balances will change depending on interest accumulation.
The \$31,712.00 due SN Servicing is good through 7/31/03; then a \$8.63 per diem.

I. PAYMENT OF SHORT FALL -

The Debtors have approximately 22 acres of corn to be harvested. If the corn was sold off the stump, it should produce approximately 25 ton per acre, with a market value of approximately \$22.00 per ton, for an estimated value of \$10,625.00.

This sale will cover the short fall.

J. TRUSTEE'S RECAP OF SELLING CALVES NOW

1.	Estimated Income, calf sales	\$273,483.00
2.	Less estimated debt	274,107.00
3.	Estimated short fall	(624.00)
4.	Plus sale of corn	10,625.00
5.	Estimated margin	10,001.00

Note: As stated in Section H - 2: The pay off amounts to secured creditors and Solar Farms/Sunstar Dairy will change depending on date paid and will impact the estimated margin accordingly.

K. TRUSTEE'S RECOMMENDATION

1. The Trustee will recommend the sale of all calves now based on the following:

- (a) The Trustee's report of February 12, 2002 projected the sale of the calves as of 12/31/03 at \$290,000.00. Selling the calves now will produce an estimated \$275,300.00.

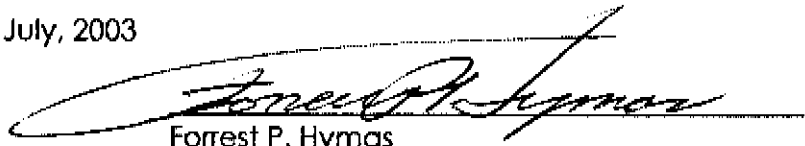
This would result in a reduction of estimated revenue by \$14,700.00

- (b) The Trustee believes there is an accurate cost of maintaining the calf herd at \$1.10 per day per head.

It is projected that there will need to be an additional investment of \$56,760.00 to care for the calves until they are all marketed in an orderly fashion by December 31, 2003.

- (c) By selling the calves now, there will be a short fall estimated at \$624.00; however, the sale of corn in the approximate amount of \$10,625.00 will cover the short fall. This will also leave a margin to cover the accumulation of interest on secured creditors and additional costs of caring for the animals until sold.
- (d) Interest will stop on all creditors if paid off now.
- (e) The Trustee has not calculated any potential tax consequences if the sale takes place now.

DATED this 29th day of July, 2003


Forrest P. Hymas
Chapter 12 Trustee

Copies via FAX to:

U. S. Bankruptcy Court, Pocatello	208 - 478 - 4106
Office of U. S. Trustee	208 - 334 - 9756
Brent T. Robinson	208 - 436 - 6804
William A. Parsons	208 - 878 - 0146
Kraig Johnston, SN Servicing	916 - 231 - 2618
Ruth Byram, Key Bank	208 - 364 - 8629
Bruce & Heidi Robbins	208 - 532 - 4733

EXHIBIT A
PAGE 1 OF 2

PARSONS, SMITH & STONE, LLP

ATTORNEYS AT LAW

137 WEST 13TH STREET

P. O. BOX 910

BURLEY, IDAHO 83318

WILLIAM A. PARSONS
RICHARD K. SMITH
RANDOLPH C. STONE
LANCE A. LOVELAND
DAVID F. SHIRLEYTELEPHONE
(208) 878-8362FAX NO.
(208) 878-0146

pss@pmt.org

July 18, 2003
via facsimile
324-2335Forrest P. Hymas
Chapter 12 Trustee
Box 89
Jerome, ID 83338RE: Bruce Robbins - Case No. 99-41532
Our File No. 19651.020050

Dear Mr. Hymas:

Mark Sanderson, of Solar Farms, advised me that the Bruce Robbins' cattle need to be sold. There is a potential sale to Bob Schrenk Livestock and the sale is outlined basically as follows:

1. There are approximately 650 head of various sizes of Holstein cattle ranging in sizes of 450 to 900 pounds.
2. There are approximately 100 head at 900 pounds at \$.64.
3. There are approximately 100 head ranging from 700 to 800 pounds at \$.66.
4. There are approximately 100 head ranging from 600 to 700 pounds at \$.68.
5. There are approximately 100 head ranging from 500 to 600 pounds at \$.70.
6. There are approximately 125 head at 500 pounds at \$.72.
7. There are approximately 125 head at 450 pounds at \$.72.

Our client estimates that the cost per day to feed and care for the cattle is \$1.10 per head. There is the cost of shrink at two percent and the inspection fee, and these are estimated at \$4,000.00 shrink and \$1,000.00 for inspection.

EXHIBIT A
page 2 of 2

Page - 2
July 18, 2003

It is estimated that this sale would bring around \$250,000.00 to \$260,000.00.

It is anticipated that there would be a conference call on an expedited basis with the Trustee, Brent, the court and myself on Monday at 9:00 a.m.

I'll be on my way to Sun Valley and will have cell phone number 312-8842, and after 10:00 I'll be at Ed Lawson's office 725-0055.

Very truly yours,

PARSONS, SMITH & STONE, LLP



William A. Parsons

WAP:sw

cc: Brent Robinson via facsimile
Mark Sanderson

Recording Requested by:
NATIONAL ASSET MANAGEMENT GROUP
 Transfer Job Name: Security National
 Security Loan #: 0000152062B



When recorded mail to:
NATIONAL ASSET MANAGEMENT GROUP
 1300 ETHAN WAY, SUITE 100
 SACRAMENTO, CA 95825

EXHIBIT B

page 1 of 2

NAMG #: 02-2248

ASSIGNMENT OF MORTGAGE/DEED OF TRUST

For good and valuable consideration, the sufficiency of which is hereby acknowledged, the undersigned,
KEYBANK NATIONAL ASSOCIATION

whose address is 702 W. Idaho St. Boise, ID 83702

(Assignor)

By these presents does convey, grant, bargain, sell, assign, transfer and set over to:

SN COMMERCIAL, LLC AN ALASKA LIMITED LIABILITY COMPANY BY SN SERVICING CORPORATION, F/K/A SECURITY NATIONAL SERVICING CORPORATION, ITS MANAGER

whose address is 323 Fifth Street, Eureka, CA 95501

(Assignee)

the described Mortgage/Deed of Trust, together with the certain note(s) described therein with all interest, all liens, and any rights due or to become due thereon.

Said Mortgage/Deed of Trust is recorded in the State of Idaho, County Of Cassia.

Official Records on: February 27, 2000

Original Mortgagor: LEO AND BARBARA ROBBINS

Original Loan Amount: \$289,100.00

Property Address: 500 EAST 30 SOUTH, RUPERT, IDAHO 83350

Property/Tax ID #:

Legal Municipality:

Document #: 268451

Book:

Page:

KeyBank National Association

Joyce M. Goodman
 Vice President

STATE of: *Idaho*

Notary Acknowledgement

County of: *Blaine*

On, *8/16/02*, before me, *Richard C. Swager, Jr.* Notary Public, personally appeared, *Joyce M. Goodman* who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument, the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal,

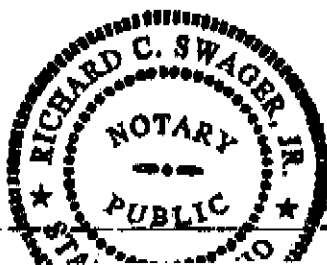
CAPACITY CLAIMED BY SIGNER:

Richard C. Swager, Jr.
 Notary Public

KeyBank National Association

Document Prepared by:

National Asset Management Group, G. Lucero
 2720 Gateway Oaks Drive, Ste 130
 Sacramento, CA 95833



PARCEL NO. 1:

TOWNSHIP 9 SOUTH, RANGE 25 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 29: E $\frac{1}{4}$ SW $\frac{1}{4}$ EXCEPT that portion lying North and West of the centerline of the Government Main South Side Canal.

PARCEL NO. 2.

TOWNSHIP 9 SOUTH, RANGE 25 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 29. A portion of the Northwest Quarter lying East of the centerline of the Minidoka Project Main South Side Canal, described as follows.

Beginning at the North Quarter Marker of said Section 29,
Thence West approximately 900 feet to the center of the Minidoka Project Main South Side Canal,
Thence Southerly approximately 2640 feet on a line identical with the Center of said Canal to the Southern Boundary Line of the Northwest Quarter of said Section 29;
Thence East approximately 900 feet to a point identical to the center of said Section 29,
Thence North 2640 feet, more or less, to the Point of Beginning.

EXCEPTING THEREFROM that portion deeded to the State of Idaho for highway purposes

PARCEL NO. 3:

TOWNSHIP 9 SOUTH, RANGE 25 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 29. That part of the NW $\frac{1}{4}$ lying West of the centerline of the Main South Side Gravity Canal of the United States Government's Minidoka Irrigation System, EXCEPT the following described property:

Beginning at the Northwest corner of said Section 29, Thence East 253 feet to the True Point of Beginning;
Thence running South 272 feet,
Thence running East 589 feet,
Thence running North 272 feet;
Thence running West 589 feet to the True Point of Beginning